destruction. The power, aluminum, heavy chemicals, rayon and oil industries owed some of their best and largest plants to the program. The achievements of the postwar Three Year Plan, and to some extent even those of the First Five Year Plan, rest on the foundations laid by the prewar Billion Pengoe Investment Program. The extent of industrialization can best be measured by the number of factory workers which increased from 289,000 in 1938 to 392,000 in 1943. By comparison, the total increase in the 1925-1938 period was from 199,000 to 289,000.

Parallel with the program of industrialization there was significant social progress, some of it financed out of funds provided by the government under the plan and some of it out of the profits of industry running in full gear as a result of government spending. Health services in rural areas were improved. State-sponsored cooperatives were started to cope with rural under-employment and the rehabilitation of peasants owning less than subsistence farms, so called "dwarf-holders." The limit, which was somewhat arbitrary, was 2.9 hectares. Paid holidays and family allowances were introduced for industrial workers, wage boards were set up to fix minimum wages both in industry and agriculture, and some progress was made in the resettlement of the landless agricultural population.

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463 highly developed than that of a Western country. Moreover, Hungary has little carrying or transit trade, since the materials which pass across her territory between Germany and the Balkans require little transhipping or handling en route. Thus a much smaller proportion of the population is engaged in trade or banking than in England and the proportion occupied in providing pleasures or amenities is also small. The armed forces and the civil services, of course, have taken their share of
565 manpower. Outside the very small class of great land-
[454] owners, and an equally small group of big bankers and industrialists, few Hungarian families have been able to accumulate much money, and few Hungarians are able, or care, to save much during their working life. Thus the class, which is so numerous in England, of well-to-do families living on the capital accumulated by their forefathers, is
[657] almost entirely absent in Hungary. There were, indeed, a great number of pensioners after 1920, when the Government gave pensions to the civil servants evicted from the successor states. But what the Government could afford them was little enough. They are dying out, and their children are at work.

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Until 1921 no provision was made for sick benefit for civil servants. The Government, by Act XLVI of 1921, established the National Civil Servants Sick-benefit Foundation (Országos Tisztviselői Betegsegélyző Alap) which provides financial assistance for medical treatment to the civil servants, pensioners and their families. The Foundation was reorganized and extended by the Government in 1934. To-day the members of the Foundation are organized in 2000 districts and they receive medical attention at their homes in 3400 places. In the current year the various benefits will be greatly increased.

Pensions.

As regards pensions given to civil servants, great social progress was made in Hungary during the past two decades. Out of the funds of contributory pensions health resorts were opened at Hévízfürdő, Balatonföldvár, Galyatető and Balatonalmádi. In the near future this fund will finance the building of the most modern hospital in Hungary, the Horthy Miklós Sanatorium in Budapest.

The scope of the Pensions Act showed a very progressive spirit even in pre-war days. Since the war the pensions act was enlarged to the extent of providing rent allowances to the widows of pensioners. Similarly, the act was extended to include childrens' allowances to the pensioners. The benefits are graduated according to the number of children. A further advance was made in 1927. Since that year, civil servants who are bound to the state only by contract are provided for in their old age, or if they are disabled.

Pensions of war veterans and war widows.

647 Special cases resulting from the war are taken into
729 consideration by the social policy. Those civil servants who became disabled while on active service during the war receive pensions regardless of the length of time spent in the service. The widows of civil servants who died while serving in the army receive pensions. During the first world war there were no such regulations in force.

Hungarian and Roumanian pension systems.

000 For the sake of comparison we may mention that the Roumanian state, in 1940, gave a very small pension to those who had been retired a long time ago. When the Transylvanian territory was reunited with Hungary, the pension system was reorganized according to the Hungarian laws. Some instances showed that the former Roumanian pensions were almost 200% lower. Furthermore, the Roumanian pension law did not give pensioners allowances for children. Thus the establishment of the Hungarian pension system was a very welcome change, especially to those with children.

Student welfare.

657 The second most acute problem created by the post-
874 war crises was the plight of the educated young Hungarians. In the beginning, when aid could only be given intermittently and within narrow limits, the Government spent as much as possible on the support of university students by direct aid. At the time of the world-wide depression this problem became acute. It became possible by then to aid student welfare by collective measures. The impor-

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tance of this problem is illustrated by the following figures: in 1914 there were 8700 university students, in 1918 there were 10,000, and during the past year 18,000 students were enrolled in Hungarian universities.

Before the first world war no active state organization for the welfare of university students existed. Thousands of students had to resume their studies after the war impoverished and without the hope of outside help, as the funds of the various student organizations and foundations had depreciated almost to nothing. Owing to the dismemberment of the country the seats of the universities of Pozsony and Kolozsvár were transferred to Hungary. The university of Debrecen faced serious financial difficulties. First the student body tried to solve its problems independently. Finally, in 1923, the Government came to its aid and ordered that "closing time fees" paid by commercial establishments should be diverted to pay for student welfare expenditures. In 1937 the Government established the Horthy Miklós Scholarship Fund, which gives financial assistance to gifted but needy students. In the budget of 1943 half a million pengős were earmarked for this purpose. Students' homes were established in Budapest, Szeged, Debrecen and in Pécs. After the territory of the country had grown and the number of university students increased, the Government organized in both Budapest and Szeged two new students' homes, and one in Újvidék.

The collective assistance and vocational guidance of the younger generation was promoted most effectively by the ADOB. This institution has provided jobs for thousands of university graduates since 1934, and has made available enough educated men to accomplish the increased tasks resulting from the enlargement of the country.

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Solving student problems.

874 657 The Government is always interested in the question of replacements. This socially important task is being solved progressively and on a broad basis At nation-wide competitive examinations the gifted children of the rural districts are chosen, and out of these, 600 are sent each year to high-schools. There are 73 such high-schools in different parts of the country, and more than 80% of the children finish their studies with very high marks. Undoubtedly this innovation opens the way to social betterment and will ensure the replenishment of the intellectual classes through institutional selection of the talented.

The extent to which the problems of the educated classes are being solved is illustrated by the following figures: the Ministry of Education and Religion spent 149,500 pengõs in 1924, and in 1943 three and a half million pengõs have been allocated for student welfare purposes. Since 1920 twenty million pengõs were spent by the Government on scholarships, student relief, assisting student homes and student welfare organizations. The student welfare problems are dealt with by a special department of the Ministry of Education and Religion, and a national board co-ordinates the work of the various youth groups and organizations.

Results achieved by public education.

871 We may mention here — as this is one of the salient features of social progress — results achieved by the educational policy of the Government in connection with the masses during the last twenty years. A remarkable number of new schools, scientific institutions and courses of instruction

653 729 military service, and consequently the income of the seasonal workers was negligible. The solution was reached by the Government in combining the employment of returned soldiers with the performance of public works such as rebuilding the homes of flood victims, and defence projects. Public works costing 54 million pengős bridged over the last months of the depression until the period of accelerated war-time production.

Providing for the refugees.

729 167 657 The refugee problem was an important item in the Hungarian social welfare administration. Hungarian resources were strained to the utmost in providing for the periodic influx of refugees from the former Hungarian territories. Immediately following the first world war this flow was at its peak, as we have previously stated. A similar situation occurred a second time when part of Transylvania was reoccupied. Hungarians who were left under foreign domination started to move across the new boundaries in large numbers. In order to help them to become self-supporting and be readily absorbed into economic life the Government settled them in various parts of the country. During this period of rehabilitation, from the autumn of 1939 till the end of 1942, the state spent 25 million pengős on their maintenance.

Compensation of war bond holders.

652 467 During the last twenty years it was often necessary from the standpoint of social security to protect the interests of the small investor. In the first world war thousands had put all their savings into war bonds, and when these lost their value many of the bondholders were in dire straits. For

362 depression and again later in consequence of the war-time shortage of materials for building. During the depression the aforementioned credit schemes and tax exemptions helped the expansion of building programmes. Since the beginning of the war a specially created board and numerous bylaws regulate the allotment of living space according to priority of socially justifiable claims. To-day the building programme is centred on defence projects, family welfare and social service housing.

Widespread social projects.

• 657 511 We may briefly mention here those socially important projects of the Government which aim at the improvement of the general health and proper diet of the farmers who constitute the majority of our population. For instance, the Government ordered the free distribution of sugar among certain sections of the agrarian community who had previously been without it. In poorer farm districts the Government distributes large quantities of sugar among children and nursing mothers. We shall discuss in another chapter free meals in rural schools, public health medical service to agrarian families, expectant mothers and infants; also marriage grants to farm labourers.

Churches and Societies.

747 We have given only a brief outline of the public welfare policy, which, although it expresses the social consciousness of the state and its will to further social advancement, paints only a one-sided picture of the country's social efforts as a whole. To complete the picture, mention should be made of the extensive welfare work done by different private social organizations, the Christian Chur-

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ches leading the way. The Roman Catholic "Actio Catholica" maintains a separate social service organization. The concerted and unremitting efforts of the Roman Catholic church organizations follow the principles laid down by the Primate of Hungary. The Catholic parishes have been dealing with begging by well organized and proven methods, and are continuously helping the needy. The synod of the Protestant Church directs the Protestant congregations in the support of certain social welfare activities, and through the "Friendly Alliance" (Szeretet Szövetségek) it participates in country-wide social welfare drives and other far reaching movements. The Evangelical Church works along similar lines. The Churches often planned and carried out social welfare enterprises in those precarious times when restrictions on the sovereignty of the country and its public finances impeded the work of the state.

In addition there are over a thousand charitable organizations in Hungary, and a great many of the clubs — through their central organizations or independently — are active in social welfare work. These societies, especially their central organizations (mostly clubs for women), are instrumental in carrying out certain phases of the public welfare policy, and do exemplary work in child welfare, war relief work and the supervision of rural sanitation. The Government supports the work of the above societies with grants-in-aid.

"*Levente.*"

The national defence organization of Hungarian youth (*levente* organization) is engaged in important social welfare work in different parts of the country. The *leventes*

assist deserving poor families with many children, especially in the rural districts. The ONCsA is not a relief-distributing agency but an institution which forms the integral part of the community and of the local administrative bodies. It endeavours to improve the lot of the poorer rural population economically, morally and intellectually by raising its living standards and by promoting the cause of social adjustment.

Welfare inspection service.

To carry out effectively the novel features and manifold objectives of the new social welfare policy, the National Social Welfare Inspection Board was established, and in the counties and many towns co-operative social welfare societies were founded which made it possible for the poorest classes to engage in productive work. How important these projects are for Hungarian society is shown by the following statistics: in 1942 there were more than 259,000 families in Hungary with four or more children and in these families the total number of children amounted to one million two hundred and fifty thousand. The majority of the large families (212,000 families with a total of more than a million children) live in rural districts.

The National Social Welfare Inspection Board and the 93 co-operative societies have accomplished a tremendous amount of work since their inauguration in the different parts of the country. The value of their work can be appraised only by the collection of reliable social statistics which is done in connection with every serious social activity. This survey is carried out by 178 field workers and 750 Green Cross nurses. The latter also provide the expert guidance of the movement.